



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 07-15, Colorado State Income Tax Withholding

Date: May 7, 2007

To: Holders of TAXES (State of Colorado only)
Personnel User Groups
T&A Contact Points in Colorado

Beginning with wages paid for Pay Period 9, the National Finance Center (NFC) will make the following changes to the state of Colorado income tax withholdings:

- The exemption allowance will increase from \$3,300 to \$3,400.
- The Single and Married withholding tables will change.
- The dental and vision insurance program will be added to the nontaxable biweekly Federal Employees Health Benefits Plan payment section.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

MARK J. HAZUDA, Director
Government Employees Services Division

Colorado State Income Tax Information

State Abbreviation:	CO
State Tax Withholding State Code:	08
Acceptable Exemption Form:	None
Basis For Withholding:	Federal Exemptions
Acceptable Exemption Data:	None
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

Withholding Formula ►(Effective Pay Period 9, 2007)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes ►dental and vision insurance program, and◄ flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 27 to obtain the gross annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the gross annual wages to compute the taxable income.

$$\text{Exemption Allowance} = \text{►\$3,400◄} \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 5 to the following table to determine the annual Colorado tax withholding.

Tax Withholding Table Single

If the Amount of Taxable Income Is:		The Amount of Colorado Withholding Should Be:		Of Excess Over:
Over:	But Not Over:			
\$ 0	\$ ►1,900	\$ 0 plus	0%	\$ 0
1,900	and over	0 plus	4.63%	1,900◄

If the Amount of Taxable Income Is:		Married		The Amount of Colorado Withholding Should Be:		Of Excess Over:	
Over:	But Not Over:						
\$ 0	\$ 7,200	\$ 0	plus	0%	\$ 0		
7,200	and over	0	plus	4.63%	7,200		

7. Divide the annual Colorado tax withholding by 27 and round to the nearest dollar to obtain the biweekly Colorado tax withholding.